OCTOBER 16, 2013 MINUTES OF THE HEARING EXAMINATION DOCKET NO. 2013-029 CAUSE NO. 139-111 BEFORE THE BOARD OF OIL, GAS AND MINING DEPARTMENT OF NATURAL RESOURCES IN AND FOR THE STATE OF UTAH

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A PUBLIC MEETING WILL BE HELD ON WEDNESDAY, OCTOBER 16, 2013, IN THE AUDITORIUM OF THE DEPARTMENT OF NATURAL RESOURCES, 1594 WEST NORTH TEMPLE, SALT LAKE CITY, UTAH.

ATTENDEES:

John C. Rogers, Hearing Examiner, Assoc.

Director, Oil & Gas

Dustin Doucet, Petroleum Engineer
Julie Ann Carter, Board Secretary

Kass Wallin, AAG Michelle Mallonee, CSR

Steve Alder, AAG

Douglas Crapo, AAG

Brad Hill, Oil & Gas Permit Manager

Clinton Dworshak, Hearings and

Roy Moulton

Ruth Moulton

Bonnie Phenis

Gary Phenis

Enforcement

The HEARING EXAMINER will hear the following matter at 1:30 p.m.:

Please Note: The transcript of the following matter is available for purchase from Atkinson Baker, America's Court Reporters, by calling them at 800-288-3376, asking for Job. No. A70A14B, and specifying Docket and Cause numbers. The transcripts is also available, to read only, at the offices of the Utah Division of Oil, Gas, and Mining in Salt Lake City, Utah.

1. <u>Docket No. 2013-029 Cause No. 139-111 –</u> In the Matter of the Request for Agency Action of NEWFIELD PRODUCTION COMPANY for an Order pooling all interests in two 1,280-acre (or substantial equivalent) drilling units established by the Board's Orders entered in Causes Nos. 139-98 and 139-103 in Sections 15 and 22, Township 3 South, Range 2 West, U.S.M., Duchesne County, Utah.

(The Hearing Examiner will report the Proposed Findings of Fact, Conclusions of Law, and Order, to the Board of Oil, Gas, and Mining at the October 23, 2013 Board Hearing in Salt Lake City, Utah)

<u>Hearing Examiner</u> – John C. Rogers, Hearing Examiner, Assoc. Director, Oil & Gas <u>Counsel for the Hearing Examiner</u> – Kassidy J. Wallin, Assistant Attorney General, Natural Resources.

<u>Counsel for the Petitioner</u> - Thomas W. Clawson, Van Cott, Bagley, Cornwall & McCarthy. Witnesses: Robbie Miller, Mike Jensen.

<u>Counsel for the Division</u> - Steven F. Alder, Assistant Attorney General, Natural Resources. Witnesses: Dustin Doucet, Clinton Dworshak, Brad Hill

Page 2 Minutes of the Hearing Examination Docket No. 2013-029 Cause No. 139-111 October 16, 2013

The Division supports the Petitioner's request. There were no comments from members of the public. The Hearing Examiner asked Mr. Clawson to prepare the Proposed Findings of Fact, Conclusions of Law, and Order, and to address the following issues:

- 1) The non consent penalty at 300% is the maximum
- 2) The interest rate at prime plus 2%
- 3) The plugging and abandonment costs
- 4) Include royalty rates changes
- 5) Overhead charges

The hearing adjourned at 2:35 p.m.